

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:342

ANSWERED ON:15.12.2006

NPAS OF BANKS

Chakraborty Dr. Sujan;Yadav Shri Mitrasen

Will the Minister of FINANCE be pleased to state:

- (a) the gross Non-Performing Assets (NPAs) of the Public Sector Banks as on date;
- (b) whether the banks are facing difficulties in recovery of loans declared as Non-Performing Assets;
- (c) if so, the details thereof;
- (d) the steps taken by the Government in this direction;
- (e) whether banks are eyeing foreign capital to bridge the liquidity crunch arising out of NPAs; and
- (f) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI P. CHIDAMBARAM)

(a) to (f) : A statement is laid on the Table of the House.

STATEMENT FOR LOK SABHA STARRED QUESTION NO.#342 FOR 15th DECEMBER, 2006 REGARDING NPAs OF BANKS
TABLED BY DR. SUJAN CHAKRABORTY AND SHRI MITRASEN YADAV

(a) to (d): Despite increase in the outstanding gross advances of public sector banks (PSBs) from Rs.5.78 lakh crore in March, 2003 to Rs. 11.35 lakh crore in March 2006, their gross Non-performing Assets (NPAs) have come down from Rs.54,090 crore (9.4% of gross advances) to Rs. 42,106 crore (3.7% of gross advances) over the same period. This reduction has been possible due to concerted action taken by these banks under 'The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act', Corporate Debt Restructuring Scheme, compromise settlement schemes, close monitoring and prompt recovery action.

(e) & (f): The current level of Gross NPAs does not significantly impact the liquidity of PSBs.